BLOCK 3
WRITING PERFORMANCE BASED STATEMENTS OF WORK

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Introduction

- New Direction for Service Contracts
  - More efficient - less time consuming
  - Attract new firms and technologies (innovative approaches)
  - Allows us to spend money more wisely/efficiently
  - Lower contract costs with equal or greater value (better service)
  - Improved Contractor Performance

EXERCISE I

- Build Lego House (10 minutes)

EXERCISE I

- Write Instructions (10 minutes)

Overview

- What is Performance Based Service Contracting (PBSC)?
- Benefits
- Elements
- Implementing PBSC

PBSC - What Is It?

- Requirements are outcome based
  - "WHAT" not "HOW"
- Measurable requirements and quality standards
  - How to tell if we got "WHAT" we asked for
- Contractor is empowered to use best commercial practices and management innovation

This may be what you want . . .

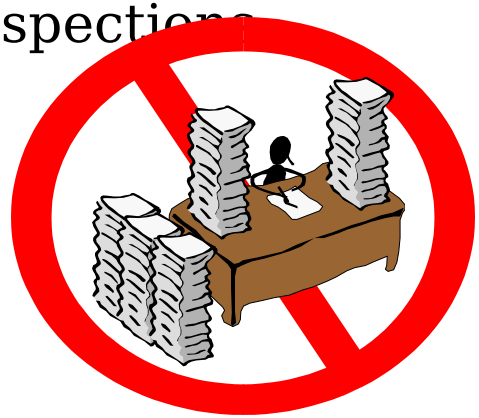
. . . but this
is what
you get!

This may be
what
you want . .

Sample Change

Food Service

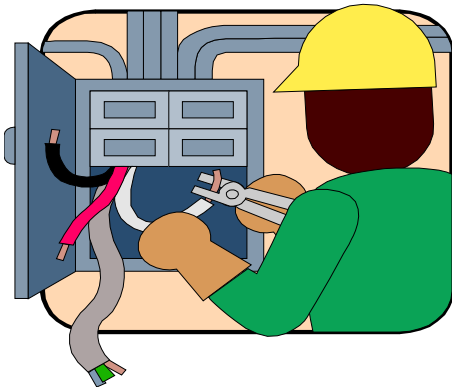
- Old
  - Personal Hygiene
  - Health Exams
  - Food Borne Disease Test
  - Equipment & Utensil Cleaning
  - Food Preparation Equipment Cleaning
  - Serving Equipment Cleaning
  - Dining Area Equipment Cleaning
- New
  - Comply with FDA Food Code which results in a satisfactory or better rating in Health Inspections



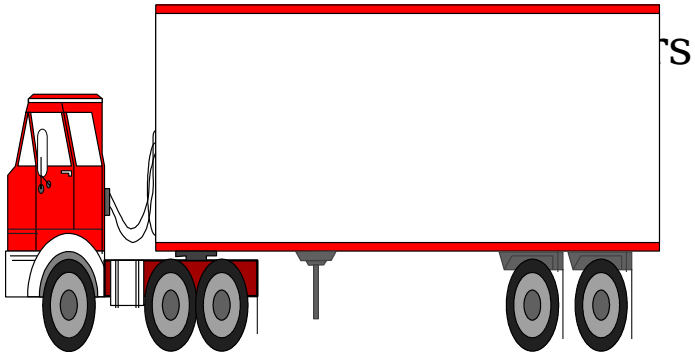
Sample Change

Parts Store

- Old
  - Items to be stocked
  - Stocking Levels
  - Restocking Intervals

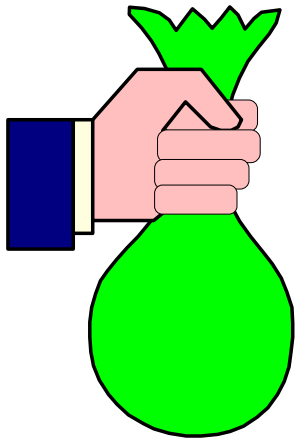


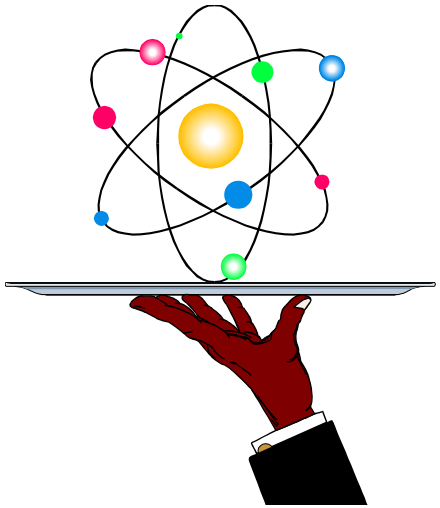
- New
  - When the parts are required
    - High use - 30 minutes
    - Moderate use - 4 hours



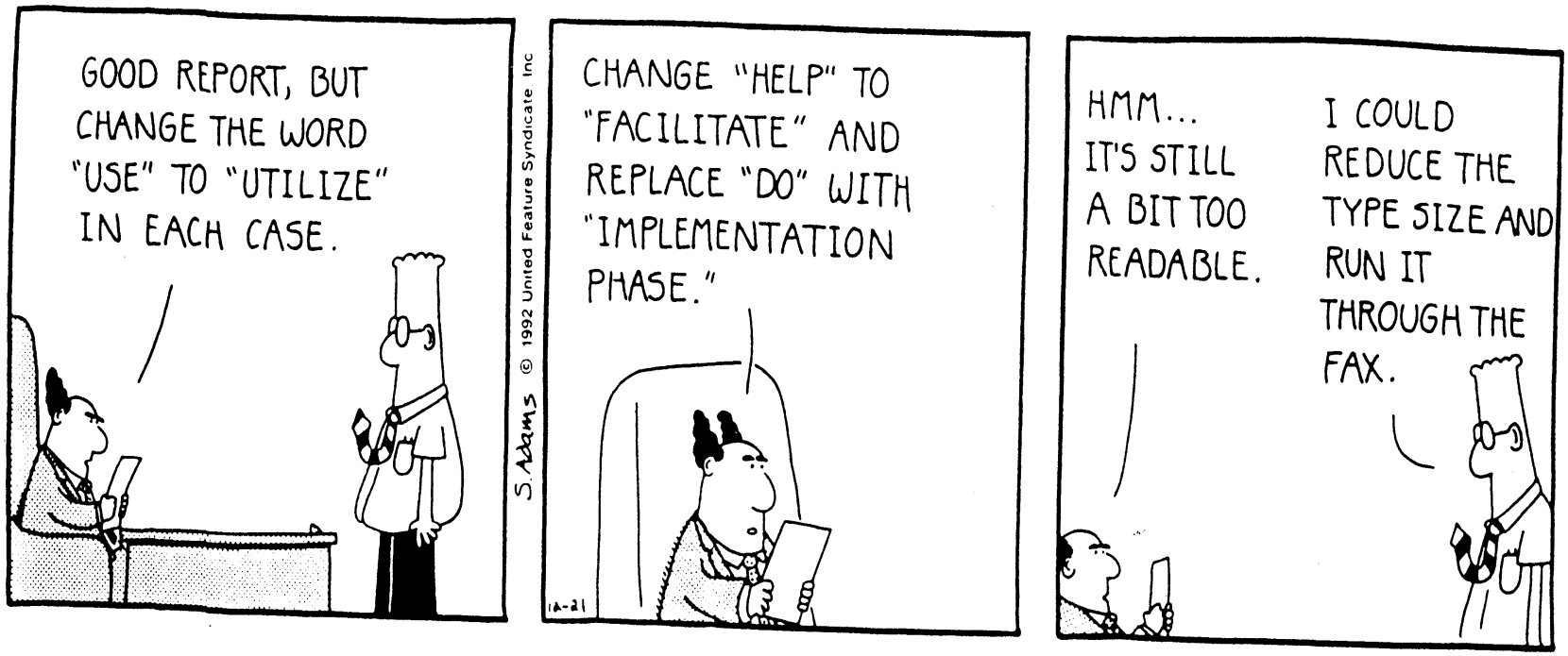
Benefits of PBSC

- Better prices and performance
- Clear and definitive performance requirements



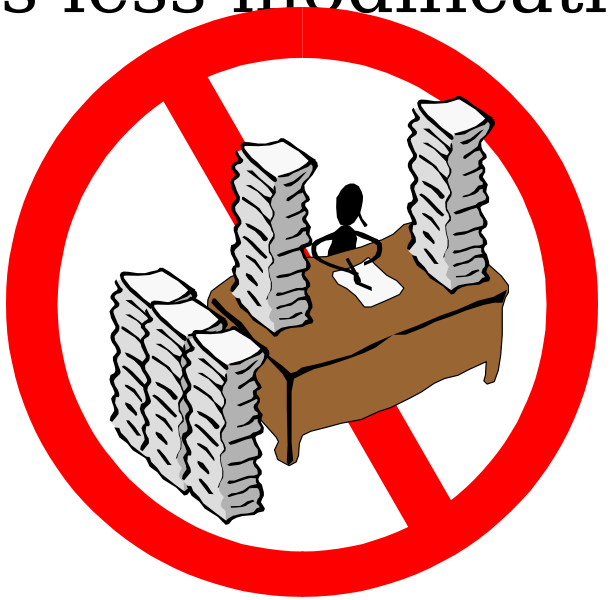


Simplify Your Terms

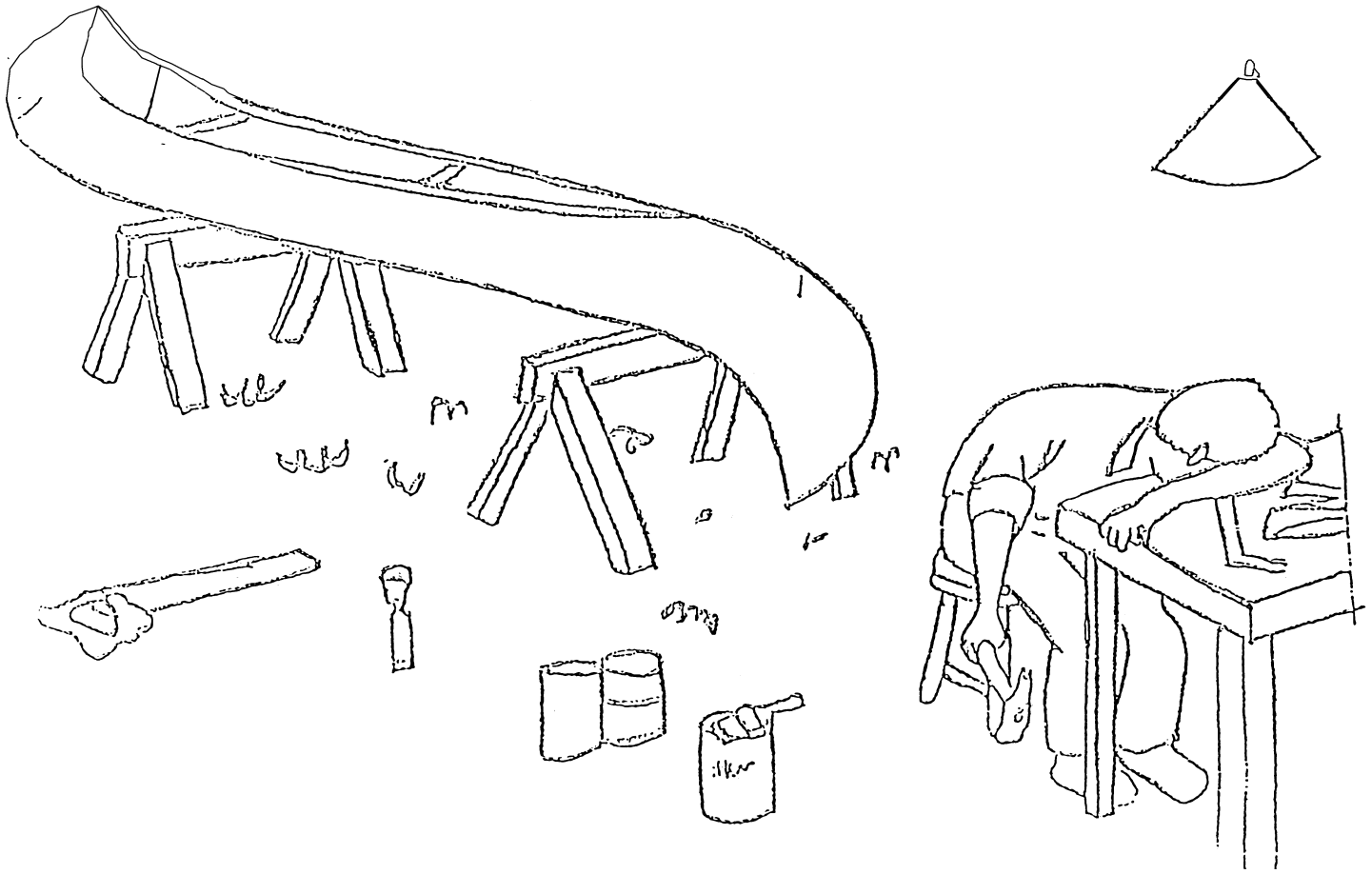

GOOD REPORT, BUT CHANGE THE WORD "USE" TO "UTILIZE" IN EACH CASE.
S. Adams © 1992 United Feature Syndicate, Inc
CHANGE "HELP" TO "FACILITATE" AND REPLACE "DO" WITH "IMPLEMENTATION PHASE."
HMM... IT'S STILL A BIT TOO READABLE.
I COULD REDUCE THE TYPE SIZE AND RUN IT THROUGH THE FAX.

Benefits of PBSC (cont'd)

- Flexibility in how the contractor performs
  - Requires less modifications



Who's Going to Fix this Mess?



Benefits of PBSC (cont'd)

- Less surveillance required
  - Quality assurance focuses on outcomes, not processes

- Contractor motivated to use innovative approaches

Savings

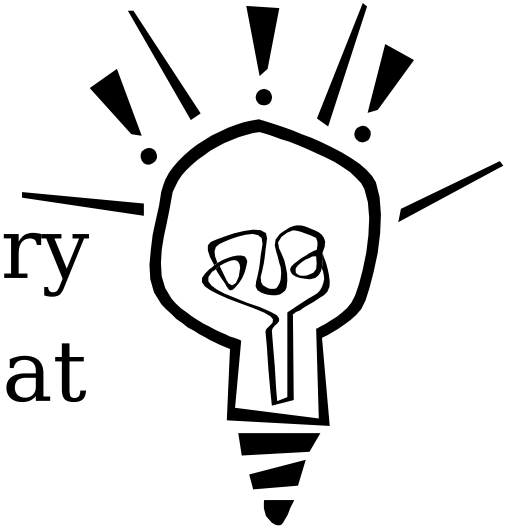
	Old	New	Savings	
LO&SC (30 SW)				
Annual Contract Costs	$7.86M	$6.5M	$1.36M	(17%)
QAE Manning	25	14	11	(44%)
Eglin RATSCAT Contract				
Contract Costs	$46.2M	$43.7M	$2.5M	(5%)
QAE Manning	5	2	3	(60%)
Eglin Range O&M Contract				
Annual Contract Costs	$28.7M	$25.8M	$2.9M	(10%)
QAE Manning	16	6	10	(63%)

Elements of Performance Based Contracts

- Requirements documents - Outcome based
- Performance standards - Clear, consistent, unambiguous, & measurable
- Surveillance consistent with standards

Methodology

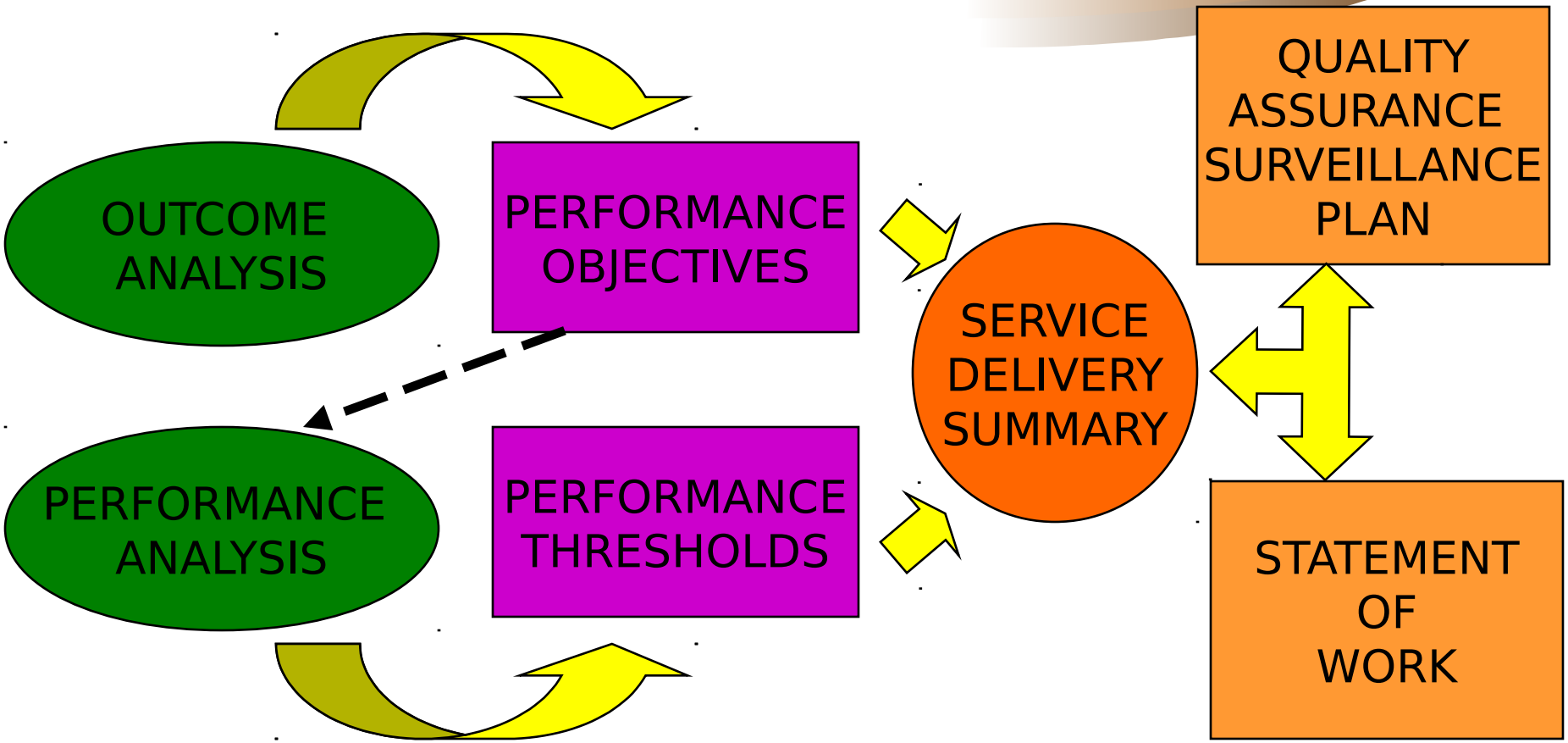
- Outcome analysis*
- Performance analysis *
- Service Delivery Summary
- Statement of Work Format



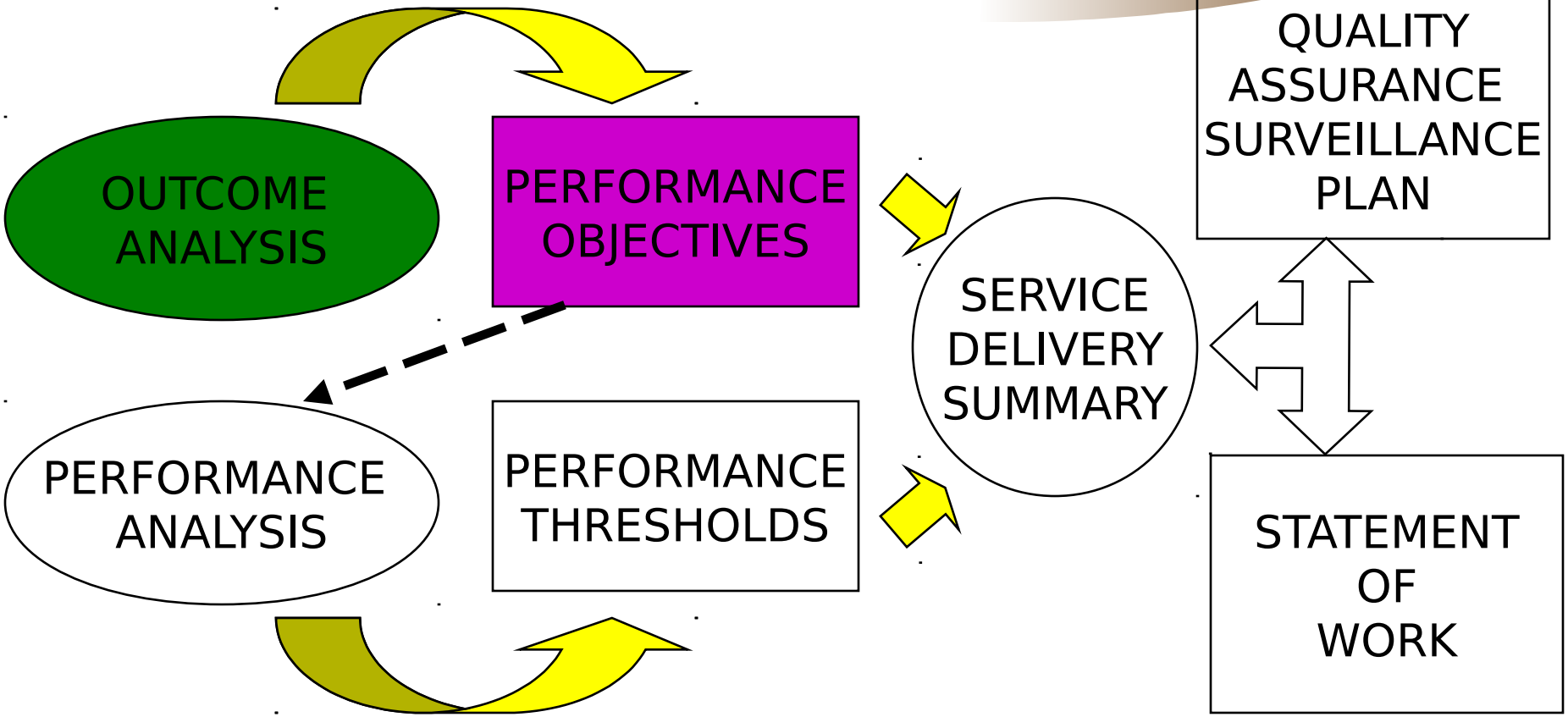
*OFPP Best Practices Guide to Performance Based Service Contracting

http://www-far.npr.gov/BestP/BestP.html

Process


OUTCOME ANALYSIS
PERFORMANCE OBJECTIVES
PERFORMANCE ANALYSIS
PERFORMANCE THRESHOLDS
SERVICE DELIVERY SUMMARY
QUALITY ASSURANCE SURVEILLANCE PLAN
STATEMENT OF WORK

Process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Outcome Analysis

- Identify Performance Objectives
  - Services and output required
  - “What” or end results
- Breakdown tasks into multiple levels
  - use tree diagram or other tool

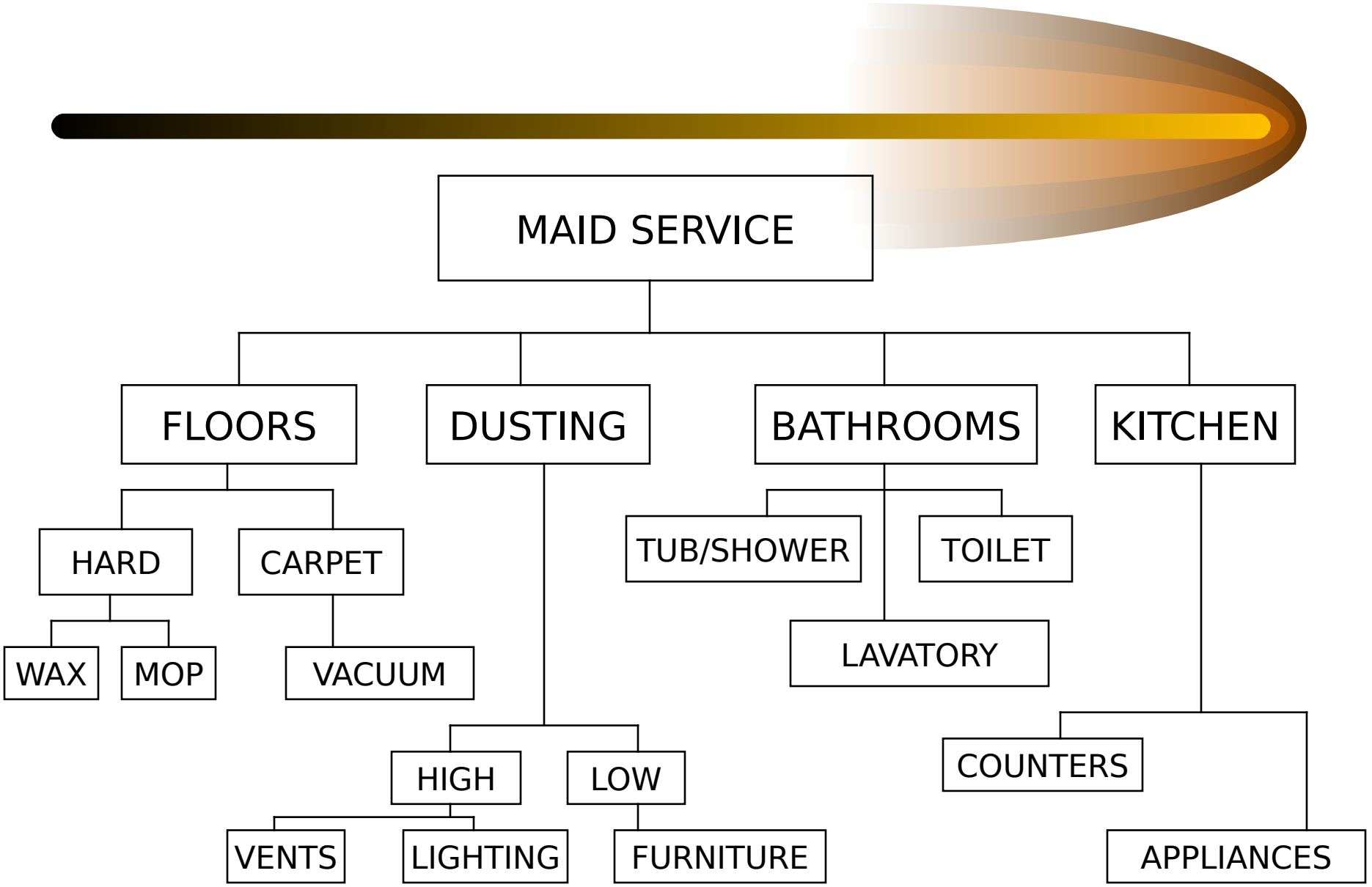
MESS ATTENDENT

DINING HALL MAINTENANCE FOOD SERVICE

- Cooks
- Food Preparation
  - Breakfast
  - Salad Prep
  - Vegetables
  - Pastries
  - Storeroom
- Dining Room
  - Set-Up
    - Specialty Functions
  - Replenish
  - Clean
    - Dining Room
    - Rest Rooms
- Set-Up Line
  - Set-Up Food
  - Set-Up Dishes
- Serve
  - Replenish
- Cashier
  - Set-Up
  - Collection
  - Close-Out
- Clean-Up
  - Dish Washing
  - Pots & Pans
  - Kitchen & Equipment
- Equipment Maintenance
  - Major
  - Minor
- Facility Maintenance
  - Trash
  - Custodial

EXERCISE II

- Develop tree diagram for recurring household maid service (15 minutes)
- Identify outcomes (performance objec to be included in the requirement (15 m


MAID SERVICE
FLOORS
DUSTING
BATHROOMS
KITCHEN
HARD
CARPET
TUB/SHOWER
TOILET
WAX
MOP
VACUUM
LAVATORY
HIGH
LOW
COUNTERS
VENTS
LIGHTING
FURNITURE
APPLIANCES

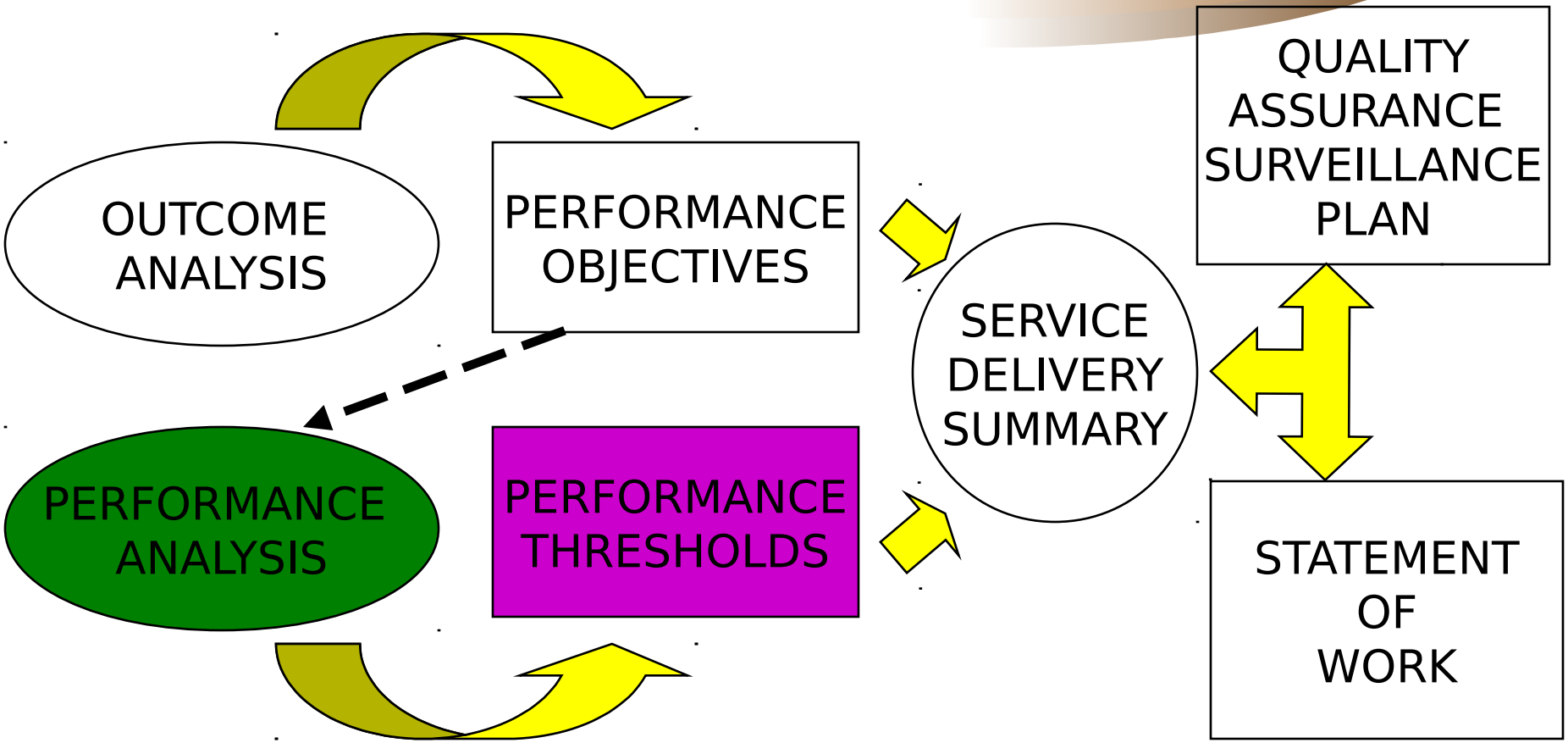
Outcomes

- Floors are free of any visible dirt
- Vents, lighting and furniture are free of dust
- All porcelain and countertops in bathroom are are clean and sanitized
- Kitchen counters are clean and sanitized
- Appliances are free of dirt and smudges

Exercise Summary

- Tree diagram allows you to visualize your requirements
- Provides framework to capture and document outcomes
- Drives you to market research to find out how industry defines requirements
  - May not always be performance based

Process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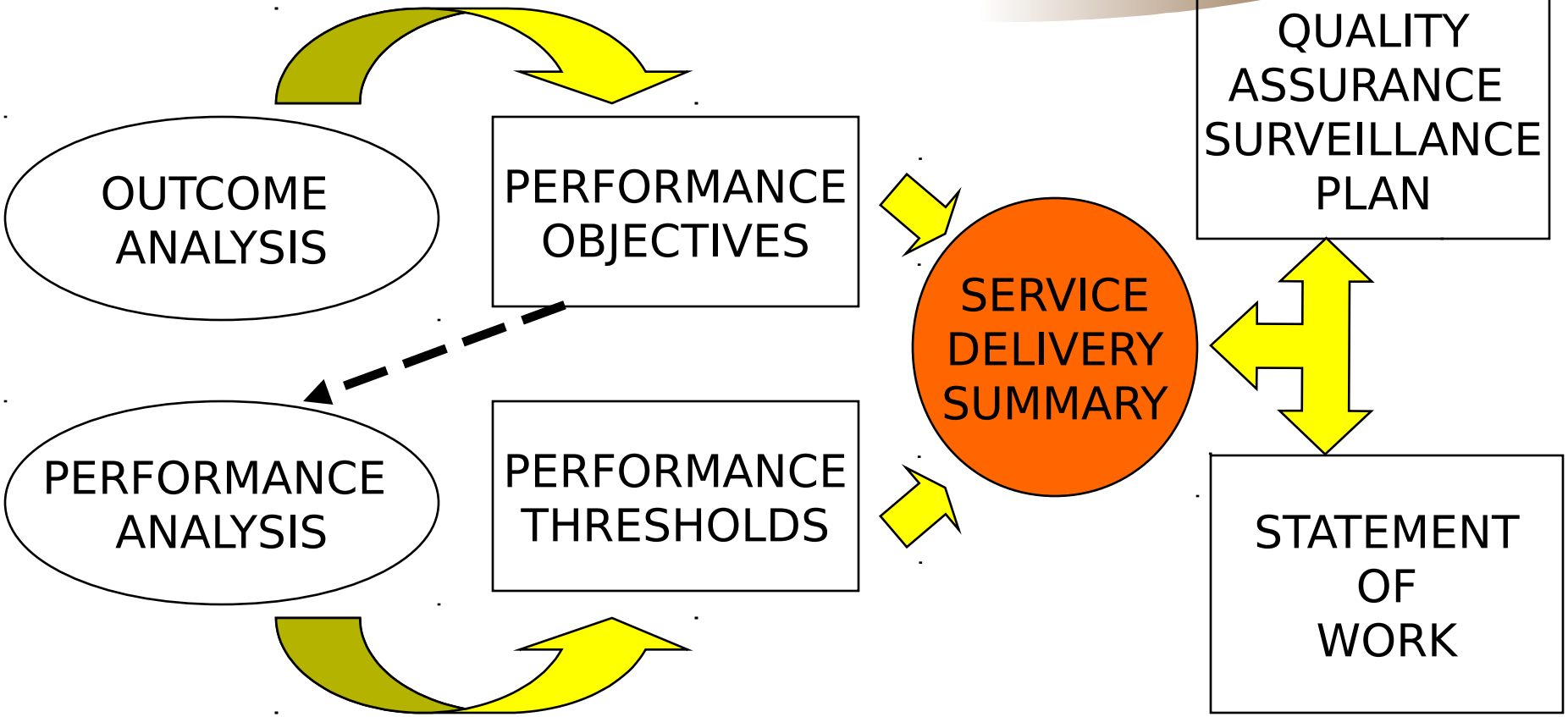
Performance Analysis

- Use performance objectives from your outcome analysis
- Establish Performance Thresholds (Specific Standard)
  - Rarely 100%
    - May be desirable, but not achievable
  - Determine acceptable deviation
- Use commercial standards when available as determined through market research

Process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Service Delivery Summary (SDS)

- Includes Performance Objectives and Performance Thresholds
- Captures the overall requirement at the outcome level
- Not to be Confused with Performance Requirements Summary (PRS)
  - Objectives are based on outcomes, not tasks
  - No percentages, No deducts
  - Surveillance method not included

Service Delivery Summary

Performance Objective	**SOW para.**	**Performance Threshold**
Prepare food IAW recipe cards	13.c.	95% of menu items/meal period
Comply with sanitation requirements of the food code and state and local laws/regulations, which results in a satisfactory or better rating in Health Inspections..	9.d.(3), 13.b., 15, & 16.a.(4)	100% of the time
Satisfy facility manager and guests in reference to timeliness of service and courteousness of employees	13.f.	90% of monthly meal periods
Make available supplies and materials necessary to serve the guests	1, 12.c., 12.d., and 16.a.3	95% of monthly meal periods
Reconcile cashdrawer with POS reports and ensure cash is turned in on-time (add to cashier services)	7.c , 14	95% of deposits per month
Maintain the interior and exterior of the dining facility in a clean and sanitary condition	16.	85% of the days in the month
Provide cooks/food servers to ensure there is no impact on food service operations during contingency operations	9.e.	100% of the time.
Repairs will be initiated/completed within the following time frames: Routine: 24 hours/96 hours Urgent: 12 hours/48 hours Emergency: 1 hour/24 hours	19.f.	95% of the time

Example

Performance Objective	**SOW para.**	**Performance Threshold**
Comply with sanitation requirements of the food code and state and local laws/regulations, which results in a satisfactory or better rating in Health Inspections..	9.d.(3), 13.b., 15, & 16.a.(4)	100% of the time
The contractor shall accomplish the food preparation tasks in accordance with recipe cards and serve in standard portions.	I.3.c.	95% of menu items per meal period.

Incorporation of Market Research

- Where possible outcomes should be consistent with commercial outcomes as identified through market research
- If the outcome identified is not consistent with commercial outcomes--consider modifying if possible

MAID SERVICE

Performance Objective	**SOW para.**	**Performance Threshold**
Floors are free of any evidence of dirt.	I. x.f.	(Customer satisfaction) Less than X validated customer complaints per month.

PARTS STORE

Performance Objective	**SOW para.**	**Performance Threshold**
Parts in the following classifications will be provided within the following times after request: High use - 30 minutes Moderate use - 4 hours Low use - 72 hours	I.x.c.	95% of requests per month

More examples

- Task - Safety program (subtasks: establish, implement and maintain)
- Objective - Establish, implement, and maintain a comprehensive safety, program that meets the current requirements of federal law
- Threshold - No OSHA reportable violations resulting from contractor action or inaction
  - Threshold - Mishap frequency and severity rate shall not exceed the base three year average

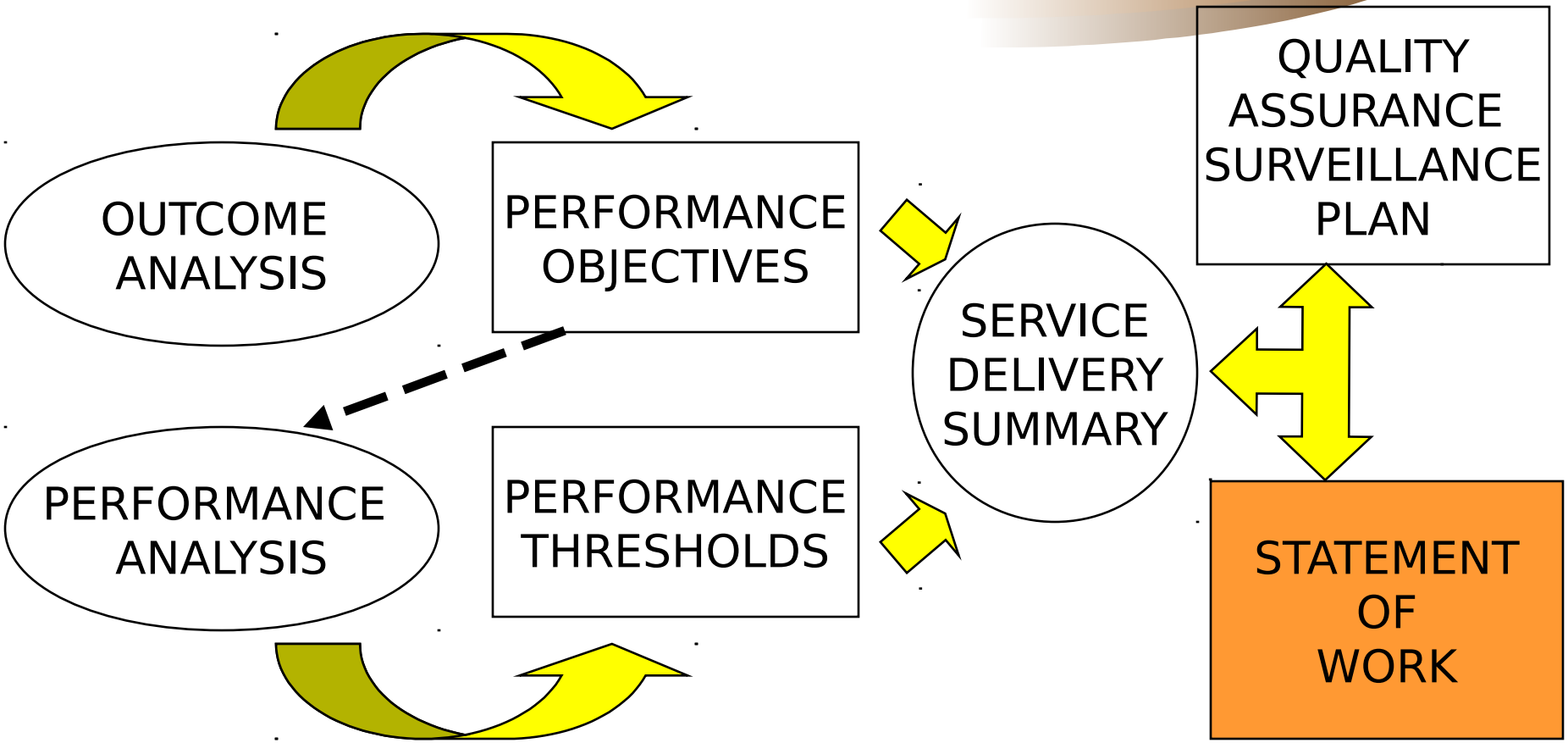
More examples

- Task - Provide network help desk
- Objective - Timely and efficient service
- Threshold - 75% of technical support questions resolved within eight working hours, the remaining 25% of technical support calls resolved within 24 working hours.

More examples

- Task - Family housing maintenance
- Objective - Provide maintenance and repair services to family housing at XYZ AFB
- Threshold - Valid customer complaints regarding responding to and accomplishment of planned and non-planned work orders shall not exceed 5% of total customer complaints

Process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Statement of Work Format

I. Description of Services

II. Service Delivery Summary (SDS)

III. Government Furnished Property and Services

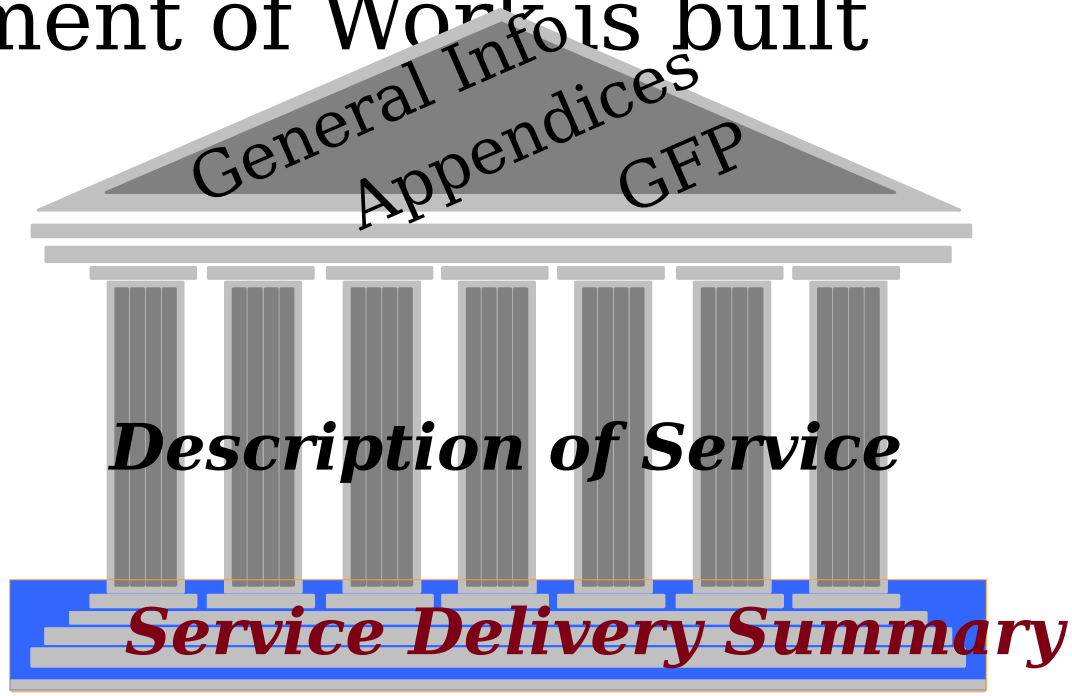
IV. General Information

V. Appendix(s)

SDS is the foundations of the requirement, the other sections just supplement this

Service Delivery Summary

- Service Delivery Summary is the base upon which the rest of the Statement of Work is built



Without a Solid Foundation, You end up with problems

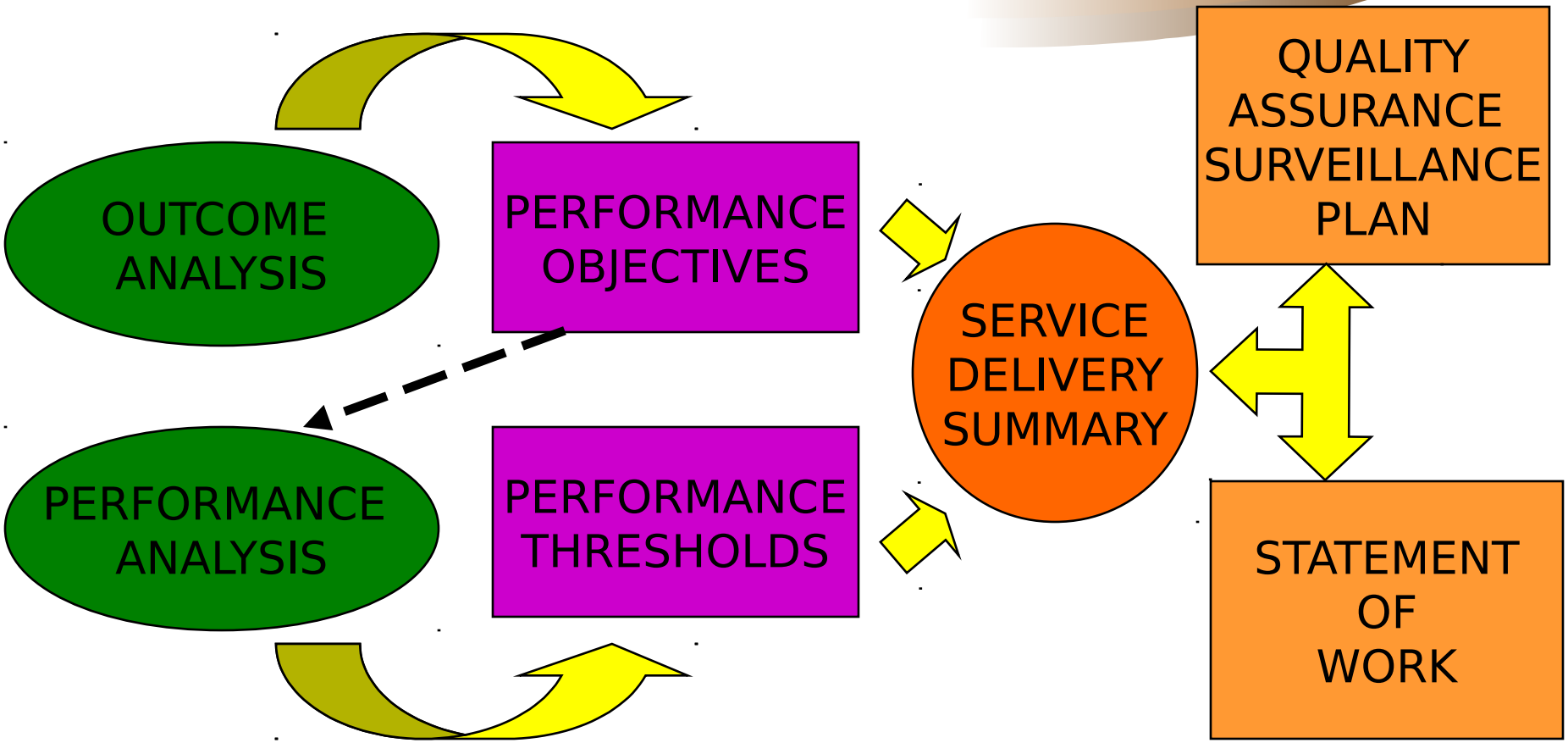
Reference to AFIs & Publications

- Question necessity for references
- If necessary, only cite specific chapter or paragraph - not entire AFI (AFI 63-124, para. 1.3.a.5.)
- References should be included in the text for Description of Services along with the applicable requirement
  - i.e. The food service contractor shall ensure only authorized individuals are served, IAW AFI 34-241, para. 1.1.

EXERCISE III

- Write a performance based requireme
your Lego house

Process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Summary

- Performance Based Contracting is the way of the future
- Leads to better service
- Reduced administration and surveillance